Universal health coverage in India: Prospect and Way Forward – A Review

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Abstract
Universal health coverage (UHC) is the means to provide accessible and appropriate health services to all citizens without financial hardships. India, an emerging economy with demographic window of opportunity has been facing dual burden of diseases in midst of multiple transitions. Health situation in the country despite quantum improvements in recent past has enormous challenges with urban-rural and interstate differentials. Successful national programs exist, but lack of ability to provide and sustain UHC. Achieving UHC require sustained mechanisms for health financing and to provide financial protection through national health packages. There is a need to ensure universal access to medicines, vaccines and emerging technologies along with development of Human Resources for Health (HRH).Health service, management, and institutional reforms are required along with enhanced focus on social determinants of health and citizen engagement. UHC is the way for providing health assurance and enlarging scope of primary health care to nook and corners of the country.

Methodology of the study includes secondary data through journals and data reviews through various data published on websites (National and international).The terms used for searching were social health insurance, health insurance and spending on health by both developed and developing countries. Data sources include High level expert group report on UHC in India by Planning Commission of India, WHO reports ,Mc Kinsey report on UHC were used to know the various health insurance schemes in various countries.

Key Words: Health Insurance, India, Social Health Insurance, Universal Health Coverage.

Background

WHO defined health is a state of complete physical, mental and social well-being and not merely the absence of disease or infirmity and to maintain the health of an individual we need health system. A good health care or the health service should be for every citizen of the country. As per WHO the term Universal Health Coverage is used to address this issue; the goal of Universal Health Coverage is to ensure that all people obtain the health services they need without suffering financial hardship when paying for them. This requires a strong, efficient, well-run health system; a system for financing health services; access to essential medicines and technologies; and a sufficient capacity of well-trained, motivated health workers[1].

The literacy rate of India is 74 and sex ratio is 940 females per 1000 males (2011 census). As per SRS Bulletin 2011, the vital-rates indicates a Birth-rate of 22.1 per thousand, crude death rate of 7.2 per thousand population and life expectancy of 66.2 years. The various health outcomes still places India in the category of developing countries which is still a far distance away from achieving the targets of Universal Health Coverage (UHC) set by United Nations under Millennium Development Goals (MDG-2015).

Government expenditure on healthcare in India is far below that of other developing countries. According to the World Health Organization Report published in 2002, India ranked thirteenth from the bottom in terms of public spending on health[2]. Estimates based on the Census show that India has approximately 20 health workers per ten thousand people. The 2.2 million health workers included 677,000 allopathic doctors accounting for 31% of the health workforce and 200,000 AYUSH practitioners accounting for 9% of the health workforce. Nurses and midwives (30%) and pharmacists (11%) are the other two large groups. Others including ophthalmic assistants, radiographers and technicians accounted for 9% of the total. The combined density of allopathic doctors nurses and midwifes (11.9) is about half of the WHO benchmark of 25.4 workers in these categories per ten thousand populations for achieving 80% of births attended by skilled personnel in cross-country comparisons[3].

According to WHO, India ranks lowest among BRICS (Brazil, Russia, India, China, South Africa) countries and is among the bottom five countries with the lowest public health spending globally. Moreover, amongst the BRICS nations, in 2011, Russia's out-of-pocket expenses stood highest at 87.9 per cent closely followed by India (86 per cent), China (78.8 per cent), Brazil (57.8 per cent), and South Africa (13.8 per cent). On the other hand, these expenses in developed economies of US and UK were comfortably poised at 20.9 per cent and 53.1 per cent respectively. In India, high out-of pocket spending is primarily due to extremely limited healthcare insurance coverage, both personal and government funded. This has led to high levels of out of pocket spending by the people and pushes approximately 39 million of them into poverty each year. Despite of the increasing government's role in health care still India is lacking in comparison to other nations in terms of the health indicators.

Two nationally representative surveys DLHS (2007-08) and NFHS (2005-06) shows only five percent of the households in India were covered under any kind of health insurance. Within the insurance schemes, the state owned health schemes are the most subscribed (39.2), followed by the Employee State Insurance Scheme (17 percent). Among the households belonging to the lowest economic categories, less than 3 percent were covered by any health scheme or health insurance. However, the recent trends show that the community health insurance targeting poor households are becoming much popular and it may be the most appropriate way of supporting the families vulnerable to catastrophic health spending. However, the paradox is that around 73 percentages of the rural people is getting just

20 percent of the health care facilities, but around 27 percentages of the urban people is getting remaining 80 percentages of the facilities[2].

Health insurance is fast emerging as an important mechanism to finance health care needs of the people. The need for an insurance system that works on the basic principle of pooling of risks of unexpected costs of persons falling ill and needing hospitalization by charging premium from a wider population base of the same community. In the present scenario the annual expenditure on health in India amounts to about $7.00 in rural areas and $10.00 in urban areas per person, majority of care being provided by the private sector[4.]According to the World Health Organization, greater than 80 per cent of total expenditure on health in India is private and most of this flows directly from households to the private-for-profit health care sector.

Health insurance schemes are increasingly recognized as the preferable mechanism to finance health needs. Health insurance in India is in very nascent stage. It is dominated by government schemes. The major public health insurer in India is the government-owned public insurance with about 60% market share[4]. Health insurance in the form of healthcare financing (Mediclaim) was introduced in India in 1986-1987 by four subsidiaries of General Insurance Company (GIC) to support the ailing healthcare industry. They are The New India Assurance Company, Oriental Fire and Insurance Co., National Insurance Co., and The United India Insurance Co. In recent years, there has been a liberalization of the Indian healthcare sector to allow for a much-needed private insurance market to emerge. Due to liberalization and a growing middle class with increased spending power, there has been an increase in the number of insurance policies issued in the country[5].

The world over, the countries have evolved variety of healthcare systems as per prevalent socio-economic and geopolitical conditions which caters for the needs of the nations. These healthcare systems have their own validity and are successful in some cases in achieving MDG. A developing country like India which is vast in size and has diversity in population on the basis of language, food, economic status, race, climate, terrain etc., needs to learn from the success and failures of these existing healthcare models. Hence there is a need to evolve a healthcare system which caters for the diverse requirements of population of India. However, reflecting on the efforts of other countries to achieve UHC and the health outcomes achieved can itself assist India in formulating the way forward. Globally, best healthcare insurance coverage are provided by countries like Japan, France, Italy, Switzerland, Spain, Netherland, Taiwan , Norway, Sweden, Singapore and Israel.

Healthcare economics across the world can be broadly divided into two categories – capitalistic (like the United States) or socialist (UK and rest of Europe). In the first category, most healthcare resources are owned by private entities and in the second the government's owns the resources, taxes the citizens and provides them healthcare. The evidence which shows that the second system works better because even though the US spends 17.9 (highest) GDP on healthcare than any other country, the facilities aren't available to all, whereas UK's National Health Service (8.4% GDP) or France's system(11.2%) which was deemed by WHO in 2000 to be best in the world. A tax-based health financing mechanism, as in UK, Cuba, Singapore and Sri Lanka or a broad based social health insurance programs as in Germany, France, Mexico, etc. is being prescribed as a key instrument of health financing strategy for many low income countries like India to achieve universal health coverage.

Health Insurance Models of different countries

United States of America

Health care facilities of U S A are largely owned and operated by private sector businesses. According to United States Census Bureau (2012), out of entire population only 32.6% is availing benefits provided by Public Health Coverage, Private Health Coverage is 63.9%, and uninsured people are 15.4 %. Public programs provide the primary source of coverage for most seniors and low-income children. Families covered under Medicare are 15.7%, Medicaid are 16.4% and Military Health Insurance are 4.4%. Private insurance for non-elderly working population form major part of health coverage in United States which involves Consumer Driven, Managed Care and Health saving Account. Due to costly health services in America, people cannot able to afford it and hence Obama care or Patient Protection and Affordable Care Act (PPACA) came into picture with the goals of increasing the quality and affordability of health insurance, lowering the uninsured rate by expanding public and private insurance coverage, and reducing the costs of healthcare for individuals and the government. The basic idea of capitalism is seen even in healthcare were in the system encourages generation of money and has followed principles of revenue generation through business. In US the healthcare is dominated by the private insurance agencies who have inflated the cost of healthcare for earning maximum profits. In such capitalistic dominated health care system the patient is seen as a customer with adequate money.

US health care system is distinguished by the fact that the Government has facilitated the capitalistic concept and hence despite showing approximately 18% of GDP being spent on the healthcare the health outcomes are not amongst the best. It indicates restricted reach of the healthcare facilities which is available to only the richer segments of the society.

United Kingdom (UK)

Healthcare in the United Kingdom is a devolved matter, meaning England, Northern Ireland, Scotland and Wales each have their own systems of publicly funded healthcare. A variety of differences exist between these systems, as a result of each region having different policies and priorities. The UK insurance is the third largest in the world and the largest in Europe. The National Health Service (NHS) is a national service funded through national taxation and it is the Government which sets the framework for the NHS and which is accountable to Parliament for its operation. However, the UK also has a private healthcare sector, in which healthcare is acquired by means of private health insurance. This is typically funded as part of an employer funded healthcare scheme or is paid directly by the customer. The UK healthcare system is distinctive based on the fact that it is public insurance provided by Government. The system is completely funded from taxation; all the different constituent states have powers to adapt to the requirements of their people.

Israel

Israel provides its citizens the universal health coverage and participation in the medical insurance plan is compulsory. All citizens are entitled to basic health care as a fundamental right. Based on legislation passed in the 1990s, citizens join one of four health care funds (Clalit-the largest with about 54% of the population belonging to it, Maccabi, Kupat, HolimMeuhedet) and for basic treatment but can increase medical coverage by purchasing supplementary health care. In a survey of 48 countries in 2013, Israel's health system was ranked fourth in the world in terms of efficiency. All Israeli citizens are entitled to the same Uniform Benefits Package. The Uniform Benefits Package covers all costs in the areas family medicine, emergency treatment, elective surgery, transplants, and medications for serious illness.

However, availability of services differs by location, as each of these organizations operate their own medical facilities, including private hospitals.

Israel is a country with continuous conflict with its neighbors and has struggled for its existence over last six decades. It values life of its limited population and hence government provides UHC. This system though suitable for UHC in may not be adopted in a vast country like India where the human resources is not as much valued due to its abundance.

Singapore

Singapore generally has an efficient and widespread system of healthcare. Singapore was ranked 6th in the World Health Organization's ranking of the world's health systems in the year 2000. Bloomberg ranked Singapore's healthcare system the second most efficient in the world after Hong Kong. Government ensures affordability of healthcare within the public health system, largely through a system of compulsory savings, subsidies, and price controls. Singapore's system uses a combination of compulsory savings from payroll deductions to provide subsidies within a nationalized health insurance plan known as Medisave. Within Medisave, each citizen accumulates funds that are individually tracked and such funds can be pooled within and across an entire extended family. The vast majority of Singapore citizens have substantial savings in this scheme. The main distinctive features of healthcare system of Singapore are that it cares for a small population size which has high per capita income. The complete population contributes through compulsory savings from the payroll deductions. Though this system is one of the best in the world, its direct implementation in country of the size of India with high unemployment rate and below poverty line population will be the biggest challenge.

Way Forward

Even WHO has observed that, "UHC is not a one size fits all" journey and governments will need to develop approaches that fit the social, economic and political contexts of their countries". WHO has been explicit that countries should prioritize four key actions to finance UHC: reduce direct payments, maximize mandatory pre-payment, establish large risk pools, and use general government revenue to cover those who cannot afford to contribute. The guidelines of WHO are open-ended and needs to be adapted by a country based on the analysis of varied challenges posed due to socio-economic ground realities. In fact for a country of the size and population of India a very ethnic model needs to be evolved which is able to meet the requirements of diverse population living in varied conditions.

The existing Healthcare System in India is following a combination of Capitalist and Socialist Model. In this model the Government contributes around 30 percent of total national spending on healthcare for 80% of the population. The private sector spends 70 percent of total national spending on healthcare for 20% of the population. This has brought in a large disparity in the availability of healthcare in the country.

The adaption of US healthcare system in India will not help in UHC since it has not even helped the population of the only superpower of the world. However, since USA is a big democratic country with large number of states and population like India there are a lot of practical lessons which can be derived from their healthcare system. Similarly the UK healthcare system can be adapted in India for UHC; however, there are limited number of tax-payers who will have to contribute for vast majority of population who are below poverty line. This deficiency along with unmotivated corrupt governance is the biggest hindrance to adoption of state funded healthcare insurance system.

States like Kerala have shown that integrated approach involving other sectors like education and water & sanitation along with good governance can produce world class health outcomes. Hence the way forward for our healthcare system is to evolve an indigenous system based on States by strengthening the existing set-up and eliminating the deficiencies. The system can be further strengthened by incorporating the implementable aspects from the best healthcare systems in the world. The deficiencies and challenges faced by the present healthcare system in India have large diverse population with varied cultures spread in different terrain and climatic conditions. There is lack of resources being a developing country. There is high level of unemployment and poverty increases the dependence on limited number of taxpayers. Above all there is a lack of leadership from the central government side and within states as well. With an increasing level of population and rapid increasing economy there is an increasing level of aspirations of people in a growing economy.

It is important to mention about the lack of regulatory body for private providers. Private insurance providers are targeting the richer segment of population. Public insurance (RSBY) are targeting private providers which is making a vicious loop of burden on the population. Lack of accountability and rampant corruption in the existing government Healthcare System is one of the drawbacks of our country. Health is a state subject and the major revenue from taxation is generated by Central Government. The improvement in health outcomes due to implementation of Food Security Bill, improvement in literacy rate, improvement due to Swatch Bharat Abhiyan etc need to be integrated.

India being the developing nation can learn a lot from these nations. One of the major aspects will be to develop financing systems based on the four “key ingredients” outlined by WHO. Rather than looking to adapt European-style employment-based SHI, build on the lessons from the growing number of low- and middle-income countries that are making progress towards UHC. The nation should make equity and universality explicit priorities from the outset and avoid the temptation to start with the “easiest to reach” in the formal sector. Those living in poverty must benefit at least as much as the better off every step of the way. The focus efforts should be on collecting insurance premiums from people in informal employment, look to more efficient and equitable ways of raising revenue for health from tax reform including sharing of taxes with State Governments. Efforts should be made towards pooling together all government revenues for health like expenditure on Food Security Bill, Water and Sanitation (Swatch Bharat Abhiyan, Clean Ganga Project), Quality Education etc for assessing health outcomes. AYUSH should be integrated as integral part of the UHC and evolve new parameters for requirement of funds based on health outcomes. Gap in the human resource of health care professional should be filled by improving the quality education for medicos and non-medicos. A learning lesson can be taken from institutions like IIT; the Government Healthcare System should be able to generate minimum 30% revenue through RSBY for their sustenance. This will increase accountability of healthcare set-up and establish public-public partnership. A Central Regulatory Board to be set-up for whole country for Centralized policy making for private providers. The State must establish State Regulatory Boards for decentralized control and monitoring of private players. The RSBY to be linked with the “Swa-DhanYojana” of opening of bank accounts where-in 5 crore new accounts have been opened and Rs 1500 crore deposit has been collected by banks.

As India is moving ahead on path to be economic power within the 21st century, there is a requirement to have a vision to ensure that the benefits of growth reach all sections of the society uniformly. To meet this end a useful tool to measure the accomplishments repeatedly in the long journey to economic growth can be the health outcomes by achieving Universal Health Coverage.

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